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TAGS: <u>ECON MNUC</u> <u>MOPS PGOV PINR PREL SA</u>
SUBJECT: SAUDIS - NUCLEAR ENERGY COOPERATION - NEXT STEPS

REF: A) SECSTATE 15036 (B) RIYADH 00365 (C) SECSTATE 24007

Classified By: Deputy Chief of Mission Michael Gfoeller for reasons 1.4 (b) and (d)

11. (S) Summary: The Ambassador, accompanied by DCM and A/PolCouns, met April 6 with Saudi Foreign Minister Prince Saud al-Faisal to discuss, inter alia, Saudi attitudes toward the draft Memorandum of Understanding on Cooperation in Nuclear Energy (MOU), the Proliferation Security Initiative (PSI), and the Global Initiative to Combat Nuclear Terrorism (GI) (reftels). He urged the Prince to sign the MOU and accede to both the PSI and the GI by the President's visit in May. The Foreign Minister stated that he saw no difficulties with the MOU. However, he added that the PSI seemed to reduplicate the contents of the NPT. Since Saudi Arabia is already an NPT signatory, he could not understand what advantage the Kingdom could gain from accepting in a bilateral agreement obligations it had already assumed in a multilateral agreement. He also noted that in his view, non-proliferation issues are best dealt with in a multilateral context, not a bilateral one. The Foreign Minister seemed unfamiliar with the GI, although he agreed with the need to combat the potential for nuclear terrorism. End Summary.

NUCLEAR COOPERATION

- $\P 2.$ (S) In a meeting April 6 with Saudi Foreign Minister Prince Saud al-Faisal at his palace in Riyadh, the Ambassador raised the issue of bilateral nuclear cooperation in the context of the upcoming visit to the Kingdom by the President. He specifically discussed the bilateral MOU, PSI, and the Global Initiative, urging the Prince to sign the MOU by the time of the visit and to accede to both the PSI and the GI. The Ambassador was accompanied by DCM and A/PolCouns while the Prince was accompanied by Ambassador Khalid Jindan, head of the Foreign Ministry's Department of Western Hemisphere Affairs and the de facto number three in the ministry.
- 13. (S) The Foreign Minister said he saw no difficulties with the MOU, although he added that a committee of technical experts is still studying it at the King Abd al-Aziz City for Science and Technology (KACST). He seemed unfamiliar with the GI, even though we have discussed it with his aides and deputies and sent him the relevant non-paper, of which we gave him another copy again today. That said, he agreed

strongly in principle on the need to combat nuclear terrorism, adding that the Kingdom wants to work with the USG to combat all forms of terrorism.

- 14. (S) Regarding the PSI, the Prince asserted that its content largely reduplicates that of the NPT. He questioned why Saudi Arabia, which is an NPT signatory, should sign a bilateral agreement that basically has the same content. He observed that, in his view, nuclear non-proliferation is an issue best dealt with through multilateral agreements such as the NPT rather than bilateral agreements. He also observed that the only reason for the US to ask Saudi Arabia to sign a reduplicative, bilateral agreement such as the PSI would be to allay any suspicions the USG might have that the Kingdom may wish to develop nuclear weapons. He added, "We are not planning to develop nuclear weapons, but I can think of three of our neighbors who are." He did not name these countries, but did clearly imply that one of them is Iran.
- 15. (S) COMMENT. Given the Foreign Minister's statements, it may be the wisest course to focus our efforts on convincing the Saudis to sign the MOU by the time of the President's visit. Once it is signed, we can continue to press the Saudis to accede to the PSI and the GI. It was surprising to hear Prince Saud refer to the PSI as a "bilateral" agreement, since it in fact now includes 86 nations. We believe that his point was that the PSI is a US initiative as opposed to the "multilateral" NPT. Hence, by joining the PSI, the Kingdom would in essence be entering into an agreement with the USG, in his view. It was also surprising that he was largely ignorant of the GI, given our several demarches on the subject. We will make further efforts to focus the Saudis' attention on both the PSI and the GI in the weeks ahead. We note that the Foreign Minister seemed to be in poor health and to lack mental clarity in the April 6 meeting. His speech was slurred and indistinct, and he seemed briefly to lose focus during the meeting, although he quickly recovered. We believe a telephone call from the Secretary to the Foreign Minister encouraging him to sign the

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Memorandum by the time of the President's visit would be useful in advancing our goals. Finally, we assess that, should the Saudis not sign the MOU soon, there is a significant chance that they will seek to acquire nuclear technology from a third state, probably Russia, France, or END COMMENT. China.

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